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Justice Invest 21 FEB 1973
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MEMORANDUM FOR: The Director of Central Intelligence

VIA: Deputy Director for Plans

SUBJECT: Proposed CIA Response to Request for
Information Which Have Been Received
From the Senate Foreign Relations Sub-
committee on Multinational Corporations

1. This memorandum contains action recommendations in paragraphs 4 and 5.

2. On 12 February 1973, in response to their request for a meeting, Mr. Maury, CIA Legislative Counsel, contacted Messrs Jerome Levinson and Jack Blum, staff members of the Senate Foreign Relations Subcommittee on Multinational Corporations. This resulted in Mr. Maury receiving five questions which the staff members wanted answered. The questions focus on the 1970 elections in Chile and the CIA and ITT role in these elections. Mr. Maury took note of the questions and told the staff members he was not familiar with the substantive issues which were involved in the inquiries. Mr. Maury did agree, however, to refer the questions to appropriate CIA officials for study. The staff members are, therefore, expecting a response. Attachment A, which is for information purposes only, lists the five questions and their correct answers.

3. It should be noted that in formulating the paragraph 4 recommendation, special note was taken of the 12 February statement by Mr. Levinson to Mr. Maury that he felt there were significant discrepancies between the 5 and 7 February 1973 testimony of Mr. Richard Helms before the Senate Foreign Relations Committee on the 1970 events in Chile and data which ITT had previously provided to the Subcommittee on Multinational Corporations. In this context Mr. Levinson made the point that these contradictions might require the Subcommittee to ask Mr. Helms to provide additional testimony at a later date, even if this meant Mr. Helms would have to return to Washington from Iran. The

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CIA debriefing of Mr. Helms on 12 February did not identify any deviations in his testimony from the known facts. This debriefing, however, did not have the benefit of our being able to compare the transcript of Mr. Helms' testimony with his recollections of the salient points that were discussed with him by the Senate Committee. This was due to the fact that to date the staff members of the Senate Foreign Relations Committee have refused to release a copy of Mr. Helms' testimony to either CIA or the Department of State.

4. The recommended CIA response to the staff members' questions is as follows:

"The testimony of Mr. Helms on 5 and 7 February 1973 before the Senate Foreign Relations Committee clearly established that CIA neither gave to nor received from ITT funds for use in Chile in 1970 for the support of political parties. In addition, Mr. Helms' testimony brought out the fact that there were no joint action programs established between CIA and ITT for implementation in the context of the 1970 political developments in Chile. CIA regards Mr. Helms' testimony on this topic to be accurate, thus no further elaboration is planned."

5. The Subcommittee staff members will undoubtedly find the paragraph 4 response less than satisfactory. It is to be anticipated, therefore, that they will refer the issue inherent in this answer to the Subcommittee in an attempt to set in motion action which would be designed to produce what they would regard as a more forthcoming reply from CIA. In the interim between forwarding the paragraph 4 answer to the Subcommittee staff members and their reaching agreement with the Subcommittee on how to proceed on the basis of this answer, it is recommended that CIA take the following actions:

a. The Legislative Counsel be authorized to sound out Senator Jackson on the prospects of CIA being able to obtain, either Senator Stennis or Senator Symington's assistance in arranging for the CIA Subcommittee of the Senate Armed Services Committee to consider the problems of how CIA sources and techniques could be protected before the Agency proceeds further with the Senate Foreign Relations Subcommittee on Multinational Corporations. In this connection it should be noted that Senator Jackson has a proven record of

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supporting CIA and in the past his advice on how CIA might handle a particular piece of Congressional business has been sound. In addition, Senator Jackson is discreet and can be counted on not to comment further on what he learns about CIA or ITT actions in Chile during 1970. It must be noted, however, that for the discussion with Senator Jackson to be meaningful and for his advice to be sound, CIA would have to give him a briefing on the nature of CIA's relations with ITT in 1970 during the Chilean election period. In short, a risk would be taken for sensitive information would be surfaced to a Senator with there being no guarantee he would be helpful. This is a risk which is worth taking, for the net gain from such action favors CIA if the desired results are obtained.

b. If Senator Jackson believes that it would be useful for the Agency to approach Senator Stennis or Senator Symington, then such an approach should be made. Perhaps Senator Jackson could pave the way for such a contact. In the discussion with either Senator Stennis or Symington, CIA should work toward the goal of having its testimony on events in Chile during 1970 shifted to the Senate Committee on CIA. Once that objective is achieved, the DCI could spell out in Executive Session to the Senate Committee on CIA that the Agency and ITT did not engage in joint action programs in Chile. The DCI would indicate, however, that CIA and ITT did exchange views on political and economic trends in Chile. This in turn led to possible courses of political and economic action being discussed but no agreement was ever reached on any joint action programs. Having received such a briefing as a member of the Senate Committee on CIA, it is believed that Senator Stennis or Symington could be persuaded to work out with the Senate Foreign Relations Subcommittee on Multinational Corporations an arrangement whereby the DCI could make a controlled presentation before the latter group. In such an appearance the DCI would want to make the critical point i.e., CIA neither received from nor gave to ITT funds for the support of political parties in Chile in 1970. See Attachment B for a proposed statement that would be used by the DCI in making a controlled appearance before the Subcommittee on Multinational Corporations.

c. As it is anticipated that even though Senators Stennis or Symington might arrange for a controlled appearance by the DCI

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before the Subcommittee on Multinational Corporations, it is possible that at the time of the DCI's appearance, some Senator might choose to violate the understanding. In such a case the DCI would have to fall back on Executive Privilege, and in so doing would have to avoid answering any questions that would compromise instructions which the Agency received from the President, Dr. Kissinger or the 40 Committee. Since it may be necessary to invoke Executive Privilege, we note that Presidential instructions state that this should be coordinated with Justice but in this instance the DCI should discuss this line of strategy with the White House first for basic policy guidance.

6. In considering the paragraph 4 and 5 recommendations, it should be noted that all of this involves unilateral action by CIA. This is due to the fact that while it would be desirable to have an agreed-upon interdepartmental coordination mechanism whereby CIA, the Department of State and the White House could jointly work out a governmental strategy for dealing with the various aspects of the Senate Foreign Relations Subcommittee Hearings on Multinational Corporations, the simple realities indicate that it has not been possible to date to establish such an arrangement. CIA has worked with the Department of State to establish a coordinating group, but this effort has not been successful, primarily because the Department of State has not received the guidance it requested from the White House. In short, the lack of a coordinating mechanism forces CIA to respond to events on an ad hoc basis. In so doing CIA has to keep its options open so that flexibility can be preserved for as long as possible, pending resolution of the policy issue of how the hearings will be handled on an interdepartmental basis.

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8. Attachment C provides an overview of CIA's involvement in the Chile electoral situation of 1970. This document is forwarded for information purposes only.

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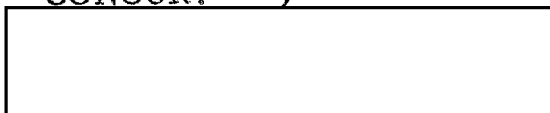
Chief
Western Hemisphere Division

Attachment:

- A - Questions and Answers
- B - Proposed Statement
- C - Overview

cc: DDCI

CONCUR: /



Deputy Director for Plans

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